



FY 2013-2015

Triennial Performance Audit of Town of Truckee Transit

Submitted to
Nevada County Transportation Commission

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Submitted by

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Executive Summary

The Nevada County Transportation Commission (NCTC) engaged Michael Baker International to conduct the Transportation Development Act (TDA) triennial performance audit of the public transit operators under its jurisdiction in Nevada County. This performance audit is conducted for the Town of Truckee Transit (Truckee Transit or Town) covering the most recent triennial period, fiscal years 2012–13 through 2014–15.

The audit includes a review of the following areas:

- Compliance with TDA requirements
- Status of prior audit recommendations
- Transit system performance trends
- Detailed functional review

From the review, recommendations were developed to improve the operational efficiency and effectiveness of Truckee Transit.

Compliance with TDA Requirements

The Town has fully complied with all nine applicable compliance requirements. Two additional compliance requirements did not apply to the Town (i.e., intermediate farebox recovery ratio and urbanized farebox recovery ratio).

Status of Prior Audit Recommendations

The Town satisfactorily implemented the six prior audit recommendations.

System Performance Trends

1. Operating cost per passenger, a measure of cost effectiveness, increased 37.1 percent system-wide based on audited data from the FY 2012 base year through FY 2015. The increase in this indicator is attributed to the 8 percent decrease in passenger trips and the 26.2 percent increase in operating costs due to increased staff time charged to the Transit Fund, higher fuel and maintenance costs, and a 34 percent increase in professional services contract costs with change over to the new contractor.
2. Operating cost per hour, which is a measure of cost efficiency, increased 20.6 percent system-wide based on audited data between the FY 2012 base year and FY 2015. The rate of cost increases exceeded the increases in vehicle service hours, which increased 4.6 percent.

3. Operating cost per mile, another cost efficiency measure, increased 16.8 percent system-wide from the FY 2012 base year to FY 2015. Some of the factors affecting this indicator include traffic congestion and flow, average vehicle speed, route length, service contracting, and service reliability.
4. Maintenance and fuel cost per hour is a measure of maintenance program effectiveness and fleet reliability. As tracked system-wide, maintenance costs per hour increased 26 percent. Maintenance costs as a whole increased 31.8 percent. As the Town proceeds with its vehicle replacement program, maintenance costs are expected to decrease.
5. Passengers per vehicle service hour system-wide decreased 12.1 percent. Passengers per hour on Dial-A-Ride decreased 39.1 percent, which may be attributed in part to the prior contractor not recording passengers accurately. The percent change for the fixed route was negligible. System-wide, the number of passengers per service hour fluctuated during the period, decreasing from 4 passengers in FY 2012 to 3.7 passengers in FY 2013 and 2.9 passengers in FY 2014 before rebounding to 3.5 passengers per vehicle service hour in FY 2015.

Functional Review

1. Truckee Transit had been operated under contract for 10 years by South San Francisco-based El Camino Trailways with four employees. El Camino Trailways did not have its own local office to provide on-site management and dispatching. The contract term was scheduled to run until December 31, 2013.
2. The Town contracted with Gold Country Telecare to operate the transit service starting in mid-December 2013, to coincide with the start of the winter schedule.
3. Operations improved with Gold Country Telecare relative to the prior operator and resulted in better oversight and management. This included having a contractor transit manager on site at the Town offices and eliminating a disallowed practice by a former driver of providing free rides on fixed route. Gold Country Telecare provided service until March 2015 when the contractor ceased operations.
4. The Town released a scope of work for a new contract operator and, among the bidders, received a response from Bremerton, Washington-based Paratransit Services. Selected by the Town, Paratransit Services implemented further improvements to the transit service by instilling a more professional culture and ethic. For example, the contract operator introduced mandatory trainings monthly and instituted higher employee screening standards.
5. The majority of marketing efforts for Truckee Transit are conducted by the Truckee-North Tahoe Transportation Management Association (TNT/TMA), the Town, and Placer County in cooperation with the contract operator.

6. Truckee Transit has been working with Placer County in developing a unified regional brand. Commencing in June 2014, a stakeholder committee was formed to discuss the transit systems and plans for their future development. As part of this initiative, Truckee Transit and Tahoe Area Regional Transit (TART) will have a common brand and name: Tahoe Truckee Area Regional Transit.
7. The Town contributes \$90,000 to Placer County TART services, which funds 50 percent of the Truckee to Crystal Bay Route via SR 267 during the winter months. In April 2015, the Town Council approved the Town funding a three-year pilot program to provide year-round service along SR 267 funded through Air Quality Mitigation Funds.

Recommendations

Performance Audit Recommendation	Background	Timeline
#1. Formalize and implement fare reconciliation procedures.	With the transition of three contract operators during the course of the past three years, fare revenue handling and reconciliation procedures have not been consistent. As cash is used for bus fare as well as bus passes purchased on board, the collection, counting, recording, and reconciliation process should be well documented and agreed upon by both the Town and the transit contractor. The contractor has the responsibility to collect, count, and retain all revenues from the farebox and report all revenues to the Town on a monthly basis with evidence of bank deposits. While this process appears to be working, a mechanism should be in place for the Town to better monitor these transactions and verify the accurate fare recording, including determining the amount of expected revenue using ridership by type from the trip sheets against actual revenue. It was indicated by both the contractor and the Administrative Analyst II overseeing the transit service that they will collaboratively work to document these procedures and provide greater oversight. Enhancements to the process might include creating an acceptable variance range (e.g., 3 to 5 percent) between estimated revenue based on ridership and actual revenue, as well as developing trend graphics of monthly revenue reporting by fixed route and Dial-A-Ride.	High Priority

Performance Audit Recommendation	Background	Timeline
	Regular meetings between the Town and contractor to discuss trends in fare revenue should also be held.	
#2. Establish an on-time performance standard and include in routine performance monitoring.	As per the RFP and service contract, the contractor has the responsibility to conduct monthly on-time performance checks by service mode. Although performance data are tracked for most indicators, on-time performance is not included in contractor reports. While the schedule adjustments implemented during the audit period have resulted in greater service efficiencies, weather and traffic conditions can impact on-time performance. Therefore, it is recommended that the Town establish an on-time performance standard, even by season, to provide a measurable benchmark that can be monitored as part of the service provision. The Transit Development Plan may provide leads on forming these standards. Trends in on-time performance toward meeting the benchmark, or explanations for not meeting the benchmark, can be documented as a measure of service improvement and productivity.	High Priority
#3. Break out operating cost and fare revenue data for each mode on the internal performance data spreadsheet.	The Town, working in concert with the contract operator, has made steady improvements in how performance data are reported and tracked. Vehicle operations data are recorded and tracked on a spreadsheet. The most recent spreadsheet utilized by Truckee Transit is divided into 10 reporting sections with data tracked monthly with year-end totals. However, the cost and revenue data are not broken out separately by fixed route and Dial-A-Ride. It is suggested that the Town work with the contractor to provide a breakdown of operations cost and fare revenue for fixed route and Dial-A-Ride that enables a higher level of review for cost efficiencies and service productivity indicators. Given the distinct service types, this level of data should be standardized in monthly and annual reports provided to the Town Council and NCTC.	Medium Priority

Section I

Introduction

California's Transportation Development Act (TDA) requires that a triennial performance audit be conducted of public transit entities that receive TDA revenues. The performance audit serves to ensure accountability in the use of public transportation revenue.

The Nevada County Transportation Commission (NCTC) engaged Michael Baker International to conduct the TDA triennial performance audit of the public transit operators under its jurisdiction in Nevada County. This performance audit is conducted for the Town of Truckee Transit (Truckee Transit or Town) covering the most recent triennial period, fiscal years 2012–13 through 2014–15.

The purpose of the performance audit is to evaluate the Town's effectiveness and efficiency in its use of TDA funds to provide public transportation in its service area. This evaluation is required as a condition for continued receipt of these funds for public transportation purposes. In addition, the audit evaluates the Town's compliance with the conditions specified in the California Public Utilities Code. This task involves ascertaining whether the Town is meeting the Public Utilities Code's reporting requirements. Moreover, the audit includes calculations of transit service performance indicators and a detailed review of the transit administrative functions. From the analysis that has been undertaken, a set of recommendations has been made which is intended to improve the performance of transit operations.

In summary, this TDA audit affords the opportunity for an independent, constructive, and objective evaluation of the organization and its operations that otherwise might not be available. The methodology for the audit included in-person interviews with Town transit management and the contractor's transit manager, collection and review of agency documents, data analysis, and on-site observations. The *Performance Audit Guidebook for Transit Operators and Regional Transportation Planning Entities* published by the California Department of Transportation (Caltrans) was used to guide in the development and conduct of the audit.

Overview of the Transit System

Public transit service has been provided in eastern Nevada County region since December 1991 with Truckee serving as the primary hub. The current transit service has been in operation since July 1995, which is administered by the Town and operated under contract. Truckee Transit operates a bidirectional fixed-route and a general public demand-response service. The fixed route has two seasonal schedules that accommodate the demand from local ski resorts during the winter months as well as the needs of local residents during the remainder of the year. During the audit period, Truckee Transit experienced multiple turnover of its contract operator. The current contract operator is Paratransit Services of Bremerton, Washington. Under direction

of the Assistant Town Manager, the transit contract is administered by the Administrative Analyst II.

Truckee is situated in eastern Nevada County adjacent to Donner Lake and Donner Pass in the Sierra Nevada range. The Town's geographical land area encompasses 32.32 square miles with the highest elevation being 7,500 feet above sea level. The main east–west highway is Interstate 80 (I-80), which connects Truckee with Reno, Nevada to the east and the Sierra foothills and the Sacramento Valley to the west traversing the Donner Pass. The two north–south highways are State Routes (SR) 89 and 267 and connect Truckee with the northern shore of Lake Tahoe.

According to the 2010 US Census, the town's population was 16,180, an increase of 16.7 percent from the 2000 Census figures. The senior citizen population, comprising residents aged 65 and over, is 7.76 percent. The California Department of Finance 2015 estimate reports a population of 16,211, a slight increase relative to the last census. Truckee is the largest municipality in Nevada County in both land area and population.

System Characteristics

Truckee Transit is composed of a fixed route and a general public demand-response service. The transit system interlines with other regional transit services such as the Tahoe Area Regional Transit (TART), which connects Truckee with Tahoe Town and Kings Beach on the northern shore of Lake Tahoe via SR 89 and SR 267. Direct transfers to TART are available at the Truckee Train Depot located at 10065 Donner Pass Road in downtown Truckee.

The Town is involved in the North Tahoe Truckee Transport (NTTT) service. NTTT is a shared ride, origin to destination, ADA-accessible, public transit service offering out-of-area, inter-regional transportation. Priority is given to those aged 60 and over residing in eastern Placer and Nevada Counties. The general public may ride on a space-available basis. The first year of this program was in FY 2014–15, which was fully funded by a grant from Area 4 Agency on Aging in partnership with the Town and the Tahoe Transportation District. The service was funded in the second year of the three-year grant as the service met performance measures. The Town also coordinates with the North Lake Tahoe Express, which provides service between Truckee and the Reno-Tahoe International Airport.

Fixed Route

Truckee Transit operates local fixed-route service serving the town and its environs. The fixed-route schedule operates on a seasonal basis. The winter schedule operates from mid-December through mid-March seven days a week, including holidays, between 6:05 a.m. and 6:05 p.m. on hourly headways. The two bidirectional routes run between Hennes Flats, downtown Truckee, and Donner Lake as well as the ski resorts of Boreal, Sugar Bowl, Donner Ski Ranch, and Soda Springs.

During the non-winter season, the fixed route operates Monday through Saturday between 9:05 a.m. and 5:05 p.m. on an hourly bidirectional schedule. There is no service operated on Sunday. Destinations served include the Truckee-Tahoe Airport, Community Recreation Center, downtown Truckee, Gateway Shopping Center, Donner State Park, and the west end of Donner Lake.

Dial-A-Ride

Truckee Dial-A-Ride operates door-to-door demand-response service within the Truckee town limits. The service area includes all Truckee residential neighborhoods and commercial districts such as Tahoe Donner, Prosser, Glenshire, Sierra Meadows, and downtown Truckee. Space priority is given to seniors and persons with disabilities. Reservations for travel are required at least 24 hours in advance. Hours and days of operation mirror those for the fixed-route service.

Fares

Transit fares are structured based on passenger and fare media type. Multi-trip passes are also available for purchase. Day passes are not available on Dial-A-Ride. The fare structure during the audit period is summarized in Table I-1.

**Table I-1
Truckee Transit Fare Schedule**

Fare Categories	Fixed Route	Dial-A-Ride
One-Way Trip (Adult)	\$2.50	\$6.00
Seniors & Persons with Disabilities	\$1.00	\$2.00
Children (Between the Ages of 3 & 11)	\$1.50	\$2.00
Children (Under Age 3)	Free	\$2.00
Day Pass – Adult (Adult)	\$4.50	n/a
Day Pass - Discount (Seniors /Persons with Disabilities/Children under Age 12)	\$2.00	n/a
10-Ride Punch Pass (Adult)	\$25.00	\$60.00
10-Ride Punch Pass (Seniors /Persons with Disabilities)	\$10.00	\$20.00
10-Ride Punch Pass (Children under Age 12)	\$15.00	\$20.00

Source: Town of Truckee, Transit Services

Fleet

There were five vehicles in the transit fleet during the audit period. Three vehicles are operated in revenue service and the remaining two are designated as spares. All vehicles in revenue service are wheelchair accessible with tie-downs in compliance with the Americans with Disabilities Act of 1990 (ADA). Table I-2 summarizes the Truckee Transit fleet.

**Table I-2
Truckee Transit Fleet**

Year	Make/Model	Quantity	Fuel Type	Service Mode	Seating
2007	Chevy Aero Elite	2	Diesel	Dial-A-Ride	8 (2 W/C)
2009	Chevy Aero Elite	1	Diesel	Fixed-Route	30 (2 W/C)
2009	Chevy Aero Elite	1	Diesel	Backup	30 (2 W/C)
2009	Chevy Aero Elite	1	Diesel	Backup	11 (2 W/C)
Total		5			

Source: Town of Truckee, Transit Services

Section II

Operator Compliance Requirements

This section of the audit report contains the analysis of the Town’s ability to comply with state requirements for continued receipt of TDA funds. The evaluation uses the guidebook, *Performance Audit Guidebook for Transit Operators and Regional Transportation Planning Agencies, September 2008* (third edition), which was developed by Caltrans to assess transit operators. The guidebook contains a checklist of eleven measures taken from relevant sections of the Public Utilities Code and the California Code of Regulations. Each of these requirements is discussed in the table below, including a description of the system’s efforts to comply with the requirements. In addition, the findings from the compliance review are described in the text following the table.

Table II-1 Operator Compliance Requirements Matrix		
Operator Compliance Requirements	Reference	Compliance Efforts
The transit operator has submitted annual reports to the RTPA based upon the Uniform System of Accounts and Records established by the State Controller. Report is due 90 days after end of fiscal year (Sept. 28/29), or 110 days (Oct. 19/20) if filed electronically (Internet).	Public Utilities Code, Section 99243	Completion/submittal dates: FY 2013: October 16, 2013 FY 2014: October 17, 2014 FY 2015: October 16, 2015 Conclusion: Complied.
The operator has submitted annual fiscal and compliance audits to the RTPA and to the State Controller within 180 days following the end of the fiscal year (Dec. 27), or has received the appropriate 90-day extension by the RTPA allowed by law.	Public Utilities Code, Section 99245	Completion/submittal dates: FY 2013: December 15, 2013 FY 2014: December 30, 2014 FY 2015: December 20, 2015 Conclusion: Complied.
The CHP has, within the 13 months prior to each TDA claim submitted by an	Public Utilities Code, Section 99251 B	The Town through its contract operator participates in the CHP Transit Operator

Table II-1 Operator Compliance Requirements Matrix		
Operator Compliance Requirements	Reference	Compliance Efforts
operator, certified the operator's compliance with Vehicle Code Section 1808.1 following a CHP inspection of the operator's terminal.		<p>Compliance Program in which the CHP has conducted inspections within the 13 months prior to each TDA claim.</p> <p>Inspections were conducted at the Truckee Depot located at 10065 Donner Pass Road and at the Town of Truckee offices located at 10183 Truckee Airport Road.</p> <p>Inspection dates applicable to the audit period were: March 22, 2012; April 10, 2013; and June 16, 2014.</p> <p>All inspections conducted were rated satisfactory.</p> <p>Conclusion: Complied.</p>
The operator's claim for TDA funds is submitted in compliance with rules and regulations adopted by the RTPA for such claims.	Public Utilities Code, Section 99261	<p>As a condition of approval, the annual claims for Local Transportation Funds and State Transit Assistance Fund from the Town are submitted in compliance with the rules and regulations adopted by NCTC. Over the past few years, revised allocation claims were submitted by the Town to NCTC as necessary to reflect special circumstances including lower revenue estimates and higher operational cost such as increased staff time allocation, fleet maintenance cost increases, and implementation</p>

Table II-1 Operator Compliance Requirements Matrix		
Operator Compliance Requirements	Reference	Compliance Efforts
		of an emergency contract due to changeover of contract operators. Conclusion: Complied.
If an operator serves urbanized and non-urbanized areas, it has maintained a ratio of fare revenues to operating costs at least equal to the ratio determined by the rules and regulations adopted by the RTPA.	Public Utilities Code, Section 99270.1	This requirement is not applicable, as Truckee Transit only serves a nonurbanized area. Conclusion: Not Applicable.
The operator's operating budget has not increased by more than 15% over the preceding year, nor is there a substantial increase or decrease in the scope of operations or capital budget provisions for major new fixed facilities unless the operator has reasonably supported and substantiated the change(s).	Public Utilities Code, Section 99266	Percentage change in the transit system's operating budget: FY 2013: +4.1% FY 2014: +18.2% FY 2015: -0.5% The increase in the FY 2014 budget was attributed to the time increase on the part of the Parking Services Manager to transit, increased fuel and maintenance costs, and a new professional services contract. Source: Town of Truckee Transit Fund Budget for FYs 2012-2015. Conclusion: Complied.
The operator's definitions of performance measures are consistent with Public Utilities	Public Utilities Code, Section 99247	The transit system's definition of performance is consistent with Public Utilities Code

Table II-1 Operator Compliance Requirements Matrix		
Operator Compliance Requirements	Reference	Compliance Efforts
Code Section 99247, including (a) operating cost, (b) operating cost per passenger, (c) operating cost per vehicle service hour, (d) passengers per vehicle service hour, (e) passengers per vehicle service mile, (f) total passengers, (g) transit vehicle, (h) vehicle service hours, (i) vehicle service miles, and (j) vehicle service hours per employee.		Section 99247. A review of performance data reports generated during the audit period, in particular those of the current contractor, indicates that correct performance data are being collected. Conclusion: Complied.
If the operator serves an urbanized area, it has maintained a ratio of fare revenues to operating costs at least equal to one-fifth (20 percent), unless it is in a county with a population of less than 500,000, in which case it must maintain a ratio of fare revenues to operating costs of at least equal to three-twentieths (15 percent), if so determined by the RTPA.	Public Utilities Code, Sections 99268.2, 99268.3, 99268.12, 99270.1	This requirement is not applicable, as Truckee Transit only serves a nonurbanized area. Conclusion: Not Applicable.
If the operator serves a rural area, or provides exclusive services to elderly and disabled persons, it has maintained a ratio of fare revenues to operating costs at least equal to one-tenth (10 percent).	Public Utilities Code, Sections 99268.2, 99268.4, 99268.5	Operating ratios for the transit system system-wide using audited data were as follows: FY 2013: 22.37% FY 2014: 19.40% FY 2015: 19.87% Fare revenues are inclusive of private contributions from area ski resorts and an annual subsidy from a local

Table II-1 Operator Compliance Requirements Matrix		
Operator Compliance Requirements	Reference	Compliance Efforts
		<p>development agreement.</p> <p>Source: Annual Fiscal & Compliance Audits</p> <p>Conclusion: Complied.</p>
<p>The current cost of the operator's retirement system is fully funded with respect to the officers and employees of its public transportation system, or the operator is implementing a plan approved by the RTPA which will fully fund the retirement system within 40 years.</p>	<p>Public Utilities Code, Section 99271</p>	<p>The Town contracts with a private provider for operations, while the cost of Town staff's retirement is fully funded under the California Public Employees Retirement System (CalPERS).</p> <p>Conclusion: Complied.</p>
<p>If the operator receives state transit assistance funds, the operator makes full use of funds available to it under the Urban Mass Transportation Act of 1964 before TDA claims are granted.</p>	<p>California Code of Regulations, Section 6754(a)(3)</p>	<p>The transit system receives State Transit Assistance Funds and makes use of federal transit grant funds under FTA Section 5311 as follows:</p> <p>FY 2013: Operations (\$61,587) Capital (\$50,148) FY 2014: Operations (\$76,150) FY 2015: Operations (\$92,350)</p> <p>Source: Transit Operators Financial Transactions Reports</p> <p>Conclusion: Complied.</p>

Findings and Observations from Operator Compliance Requirements Matrix

1. Of the compliance requirements pertaining to the Town, the operator fully complied with all nine applicable requirements. Two additional compliance requirements did not apply to the Town (i.e., intermediate farebox recovery ratio and exclusive urbanized farebox recovery ratio).
2. The Town through its contract operator participates in the CHP Transit Operator Compliance Program in which the CHP has conducted inspections within the 13 months prior to each TDA claim. The CHP inspection reports submitted for review were found to be satisfactory.
3. The operating budget exhibited negligible changes during FY 2013 and FY 2015. The budget increased 4 percent in FY 2013 and decreased slightly in FY 2015. The FY 2014 operating budget increased 18.2 percent due to the Parking Services Manager (now classified as Administrative Analyst II) increasing the time charged to the Transit Fund from 20 to 50 percent, as well as higher fuel and maintenance costs and a 34 percent increase in professional services contract costs.
4. Based on the available data from the Annual Fiscal and Compliance Audits, the Town's farebox recovery ratio remained above the required 10 percent during the audit period. Farebox recovery was 22.37 percent in FY 2013; 19.40 percent in FY 2014; and 19.87 percent in FY 2015. The average farebox during the triennial period was 20.5 percent. Fare revenues are inclusive of private contributions from area ski resorts and an annual subsidy from a local development agreement.

Section III

Prior Triennial Performance Recommendations

The Town's efforts to implement the recommendations made in the prior triennial audit are examined in this section of the report. For this purpose, each prior recommendation for the agency is described, followed by a discussion of the Town's efforts to implement the recommendation. Conclusions concerning the extent to which the recommendations have been adopted by the agency are then presented.

Prior Recommendation 1

The Town should help the transit contractor develop an accurate reporting spreadsheet format and carefully review contractor reports for errors over the next fiscal year. Town staff should also monitor completion of other performance indicators in contractor spreadsheet, such as on-time performance, road calls, complaints/compliments, and trip denials.

Actions taken by the Town of Truckee

Background: The prior audit found that separate unlinked spreadsheets were used for weekly, monthly, and annual performance data summaries, which increased the potential for manual entry error. Errors and omissions were discovered by both the Town and the auditor. It was recommended that the Town work with the contract operator to develop reporting spreadsheet templates in which daily entries are linked to monthly and year-to-date entries and formulas have been verified by more than one person. This method would aid in providing accurate data for performance reporting to the State Controller. Although contract drivers had begun recording performance data in January 2013, as part of the Town's review of contractor performance tracking spreadsheets, it was recommended that the Town staff continue to ensure completion of this section on a monthly basis.

Action: The accurate and consistent reporting of performance data has steadily improved over the course of the audit period. The Town and the contract operator have worked closely to ensure that the data are being provided. Specifically, the Town has modified its reporting spreadsheet to comply with this recommendation. The most recent spreadsheet utilized by Truckee Transit is divided into 10 reporting sections: farebox revenue system-wide, revenue and deadhead hours and miles (total and by mode), fixed-route ridership, Dial-A-Ride ridership, system-wide operational performance and costs, performance indicators, ridership statistics, and contractor employee hours. The performance data are tracked monthly with year-end totals.

Conclusion

This recommendation has been implemented.

Prior Recommendation 2

Transit staff should continue to be involved in the preparation of the State Controller Reports and ensure consistency between operational data in internal spreadsheets with the State Controller Reports.

Actions taken by the Town of Truckee

Background: Concurrent with the previous recommendation, this recommendation pertained to the need for data consistency between internal performance data reported by the contract operator and data reported to the State Controller. This was prompted by a discrepancy found in the FY 2010 Transit Operator Financial Transactions Report, which underestimated the number of passenger trips. It was suggested that the Town transit staff reconcile operating data provided to the State Controller with spreadsheets provided by the contractor. In addition, transit staff would ensure that operating data provided to the State Controller is consistent with TDA definitions.

Action: The Town has taken steps to ensure that the data collected and reported to the State Controller is accurate and consistent. A recent comparison of the data reported in the FY 2015 Transit Operator Financial Transactions Report and the internal spreadsheet data compiled by the contractor demonstrated a high degree of consistency. In addition, the selection of a new contract operator during the audit period has resulted in better management of the data.

Conclusion

This recommendation has been implemented.

Prior Recommendation 3

Town staff should prepare reports for the Truckee Town Council at least annually.

Actions taken by the Town of Truckee

Background: It was noted in the prior audit that the Truckee Town Council does not review transit operational performance data on a regular basis. Given that the Town Council serves as the transit system's governing board, it was suggested that transit staff prepare and deliver a simple annual operations report to the Town Council and general public. The report would include the basic TDA operational data and indicators with comparisons to the prior year's statistics and goals established in the most current Transit Development Plan. In addition, the report would feature significant service changes, events, and accomplishments.

Action: As with the aforementioned prior recommendations, the Town's transit staff and contract operator have taken steps to ensure that operational performance data is accurate and consistent. This effort has allowed for data to be readily compiled into an annual report. With the increased staffing time devoted by the Administrative Analyst toward the Transit Division, an operations and management report of Truckee Transit is delivered to the Town Council on an annual basis.

Conclusion

This recommendation has been implemented.

Prior Recommendation 4

Full-time equivalent (FTE) employee hours should be calculated and reported to the State Controller in accordance with Public Utilities Code 99247 (j) and the definition in Appendix B of the Performance Audit Guidebook.

Actions taken by the Town of Truckee

Background: Town staff had been unaware that the TDA FTE definition differed from the standard 2,080 hours worked in other industries. Pursuant to the TDA definition, FTEs are calculated as the total number of employee hours devoted to transit from all tasks and divided by 2,000.

Action: The Transit Operator Financial Transactions Report, which includes FTE data, is prepared by the Town's Administrative Services Manager and reviewed by the Administrative Analyst II who oversees the transit service. Contractor employee hours are also tracked on the internal performance data spreadsheet. In response to this recommendation, Town staff has made note that FTEs associated with Truckee Transit are calculated by dividing the number of person hours worked by 2,000 hours and not 2,080 hours.

Conclusion

This recommendation has been implemented.

Prior Recommendation 5

As staff time allows, the Town should revise the fare revenue collection procedures to include the requirement of two contractor staff present when fare revenue is counted.

Actions taken by the Town of Truckee

Background: The prior audit noted that only the contract operator supervisor counted the fare revenue. This was due to the staffing constraints at the time of this recommendation. The

supervisor was also the last bus driver of the day during the winter season. It is customary to have two staff persons present to count the fare revenue, which reduces the temptation for improper conduct and/or the mishandling of cash. Despite the contractor not having two people present to count fares, Town staff would periodically compare projected fare revenue to actual fare revenue and ridership and did not discover any discrepancies that would cause concern. During the winter season, fare collection on Truckee Transit is quite low since the winter fixed route is subsidized by the local ski resorts. It was recommended that the Town continue its reconciliation procedures but implement a policy requiring two staff people to count the fare revenue as well as have Town administrative staff count the fare revenue the following morning.

Action: Since the prior audit, Truckee Transit has undergone two changes in contract management. These changes have also affected the manner in which fare revenue is counted and reconciled. The contractor general manager and a dispatcher count the fare revenue. The fare revenue received is reported on a spreadsheet according to service mode. In addition, while there is some level of fare monitoring and oversight, coordinated efforts by the contractor and Administrative Analyst are planned to strengthen and standardize fare reconciliation policies and practice.

Conclusion

The recommendation for having two people present to count the fare has been implemented. The part regarding the fare reconciliation process is carried forward in this audit for implementation.

Prior Recommendation 6

Actual Town staff time spent on essential transit-related duties should be compared to the budgeted time. If actual time spent is greater than budgeted allowance, the Town should consider adjusting the percentage of Town staff time allocated for transit duties.

Actions taken by the Town of Truckee

Background: At the time of this recommendation, 20 percent of the Administrative Analyst's (formerly classified as the Parking Services Manager) time was allocated to the management and oversight of the Truckee Transit program. Although the transit system had been meeting farebox recovery, it was suggested that transit performance could be improved by having Town staff take a more active role in the management of transit. Furthermore, the prior audit recommended that actual time spent on transit be reviewed for the period of one fiscal year to ascertain whether actual time spent exceeds the budgeted time.

Action: The Town has since taken the necessary steps as part of an overall reorganization to allocate more staff hours toward the administration of Truckee Transit. Commencing with the FY 2014 budget, the Administrative Analyst's time was increased from 20 percent to 50 percent toward transit. With departmental reorganization beginning January 1, 2014, this budgeted time

was increased to 80 percent for Truckee Transit which is reflective of actual time spent. The remaining 20 percent for the Administrative Analyst is allocated in the Economic Development budget. For the FY 2015 budget, this same staff time allocation has also been applied.

Conclusion

This recommendation has been implemented.

Section IV

TDA Performance Indicators

This section reviews the Town's performance in providing transit service to the community in an efficient and effective manner. The TDA requires that at least five specific performance indicators be reported, which are contained in the following tables. Farebox recovery ratio is not one of the five specific indicators but is a requirement for continued TDA funding. Therefore, farebox calculation is also included. Four additional performance indicators, operating cost per mile, maintenance cost per hour, average passengers per day, and average fare per passenger, are included as well. Findings from the analysis are contained in the section following the tables.

Tables IV-1 through IV-3 provide the performance indicators for the transit services system-wide, fixed route, and Dial-A-Ride. Charts are also provided to depict the trends in the indicators. It is noted that the system-wide operating costs and fare revenues are based on audited figures. Separate operating costs and fare revenues for fixed route and Dial-A-Ride are unavailable for each audit year. The annual fiscal audits do not provide a modal breakdown.

**Table IV-1
Truckee Transit TDA Performance Indicators
System-wide**

Performance Data and Indicators	Audit Period				% Change FY 2012– 2015
	FY 2012	FY 2013	FY 2014	FY 2015	
Operating Cost (including maintenance and fuel cost)	\$672,018	\$728,221	\$789,305	\$847,773	26.2%
Maintenance and Fuel Cost	\$107,249	\$136,019	\$154,544	\$141,372	31.8%
Total Passengers	27,233	24,295	21,869	25,051	-8.0%
Vehicle Service Hours	6,831	6,502	7,442	7,148	4.6%
Vehicle Service Miles	107,464	102,069	116,766	116,094	8.0%
Annual Days of Operation	325	325	325	325	0.0%
Employee FTEs	6	6	5	11	83.3%
Passenger Fares (incl. Private Contributions)	\$132,164	\$162,876	\$153,098	\$168,467	27.5%
Operating Cost per Passenger	\$24.68	\$29.97	\$36.09	\$33.84	37.1%
Operating Cost per Vehicle Service Hour	\$98.38	\$112.00	\$106.06	\$118.60	20.6%
Operating Cost per Vehicle Service Mile	\$6.25	\$7.13	\$6.76	\$7.30	16.8%
Maintenance Cost per Vehicle Service Hour	\$15.70	\$20.92	\$20.77	\$19.78	26.0%
Passengers per Vehicle Service Hour	4.0	3.7	2.9	3.5	-12.1%
Passengers per Vehicle Service Mile	0.25	0.24	0.19	0.22	-14.9%
Average Passengers per Day	83.79	74.75	67.29	77.08	-8.0%
Vehicle Service Hours per Employee	1,138.5	1,083.7	1,488.4	649.8	-42.9%
Average Fare per Passenger	\$4.85	\$6.70	\$7.00	\$6.72	38.6%
Fare Recovery Ratio	19.67%	22.37%	19.40%	19.87%	1.0%

Source: Annual Fiscal & Compliance Audits; State Controller's Reports

**Table IV-2
Truckee Transit TDA Performance Indicators
Fixed Route**

Performance Data and Indicators	Audit Period				% Change FY 2012–2015
	FY 2012	FY 2013	FY 2014	FY 2015	
Total Passengers	15,709	14,725	14,381	18,444	17.4%
Vehicle Service Hours	3,077	2,892	3,458	3,615	17.5%
Vehicle Service Miles	54,329	53,095	68,554	68,788	26.6%
Annual Days of Operation	325	325	325	325	0.0%
Employee FTEs	3	3	2	8	166.7%
Passengers per Vehicle Service Hour	5.1	5.1	4.2	5.1	-0.1%
Passengers per Vehicle Service Mile	0.29	0.28	0.21	0.27	-7.3%
Vehicle Service Hours per Employee	1,025.7	964.0	1,729.0	451.9	-55.9%
Average Passengers per Day	48.3	45.3	44.2	56.8	17.4%

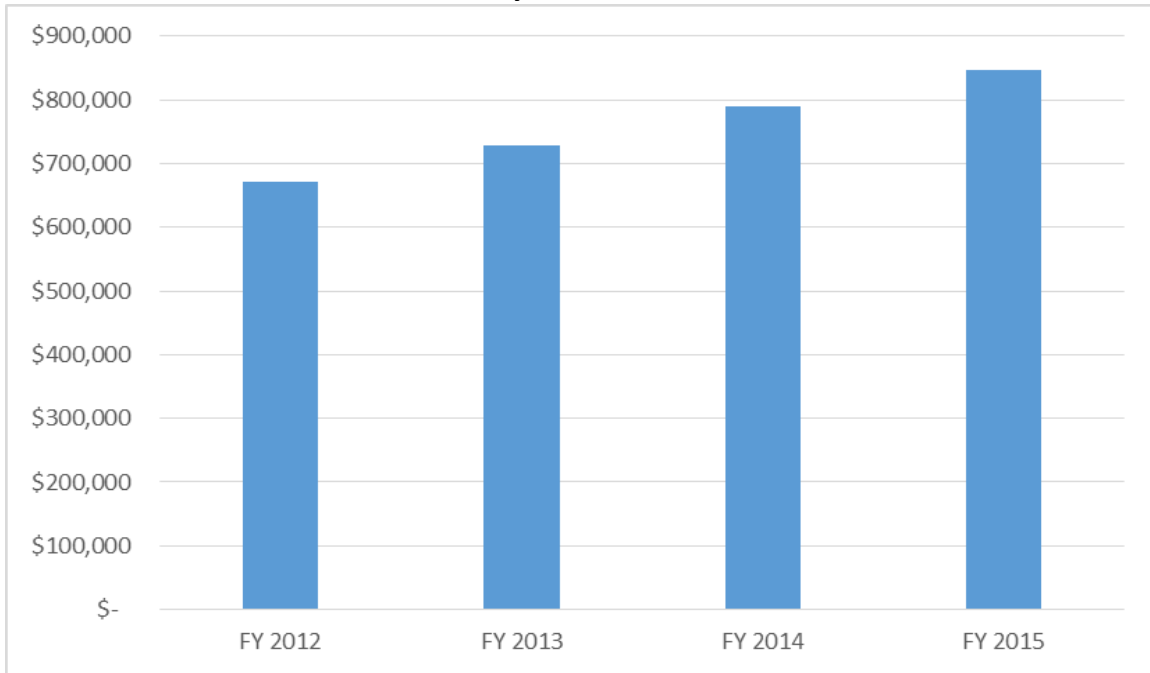
Source: State Controller's Reports

**Table IV-3
Truckee Transit TDA Performance Indicators
Dial-A-Ride**

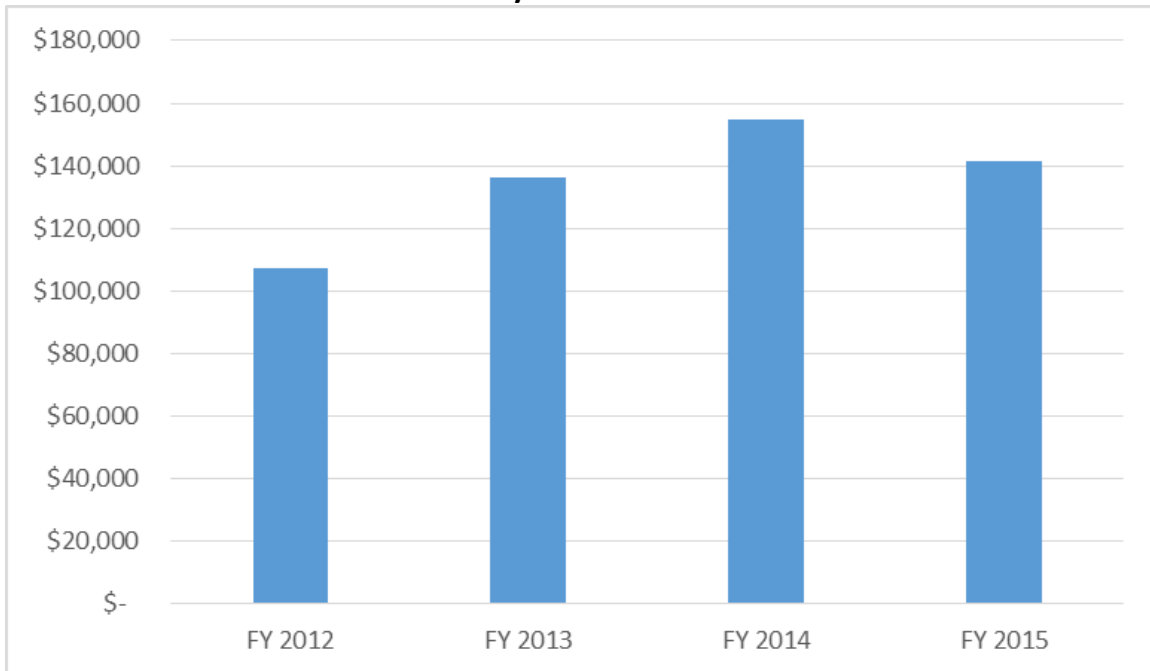
Performance Data and Indicators	Audit Period				% Change FY 2012–2015
	FY 2012	FY 2013	FY 2014	FY 2015	
Total Passengers	11,524	9,570	7,488	6,607	-42.7%
Vehicle Service Hours	3,754	3,610	3,984	3,533	-5.9%
Vehicle Service Miles	53,135	48,974	48,212	47,306	-11.0%
Annual Days of Operation	325	325	325	325	0.0%
Employee FTEs	3	3	3	3	0.0%
Passengers per Vehicle Service Hour	3.1	2.7	1.9	1.9	-39.1%
Passengers per Vehicle Service Mile	0.22	0.20	0.16	0.14	-35.6%
Vehicle Service Hours per Employee	1,251.3	1,203.3	1,328.0	1,177.7	-5.9%
Average Passengers per Day	35.5	29.4	23.0	20.3	-42.7%

Source: State Controller's Reports

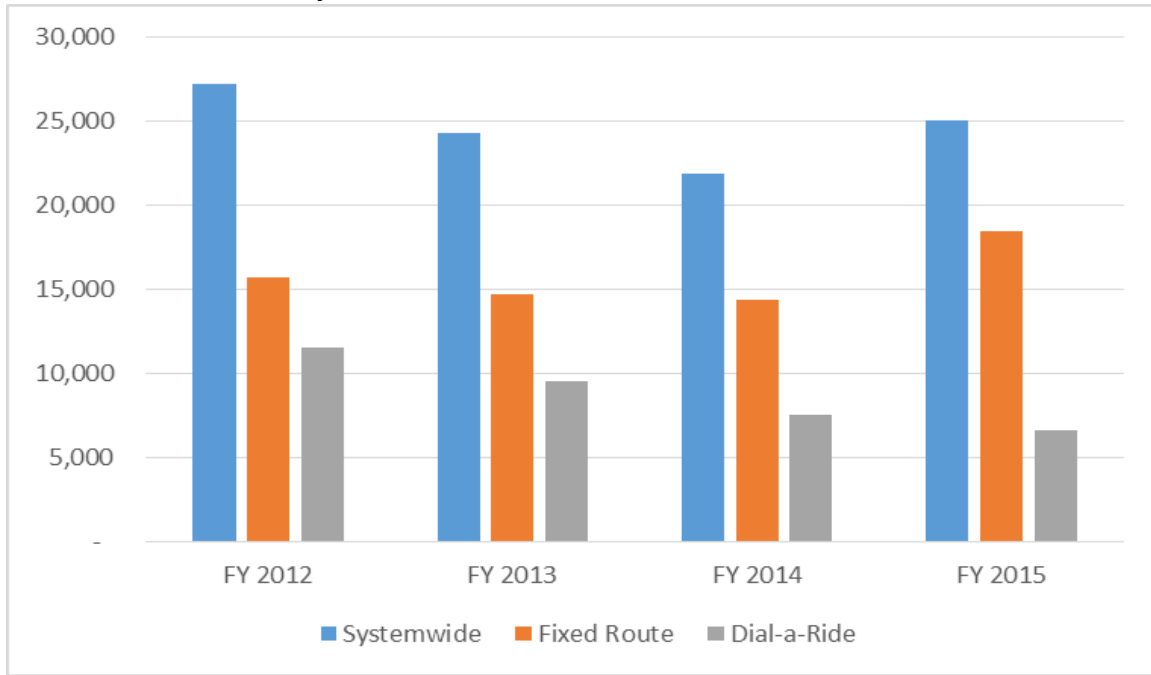
**Graph IV-1
Operating Costs
System-wide**



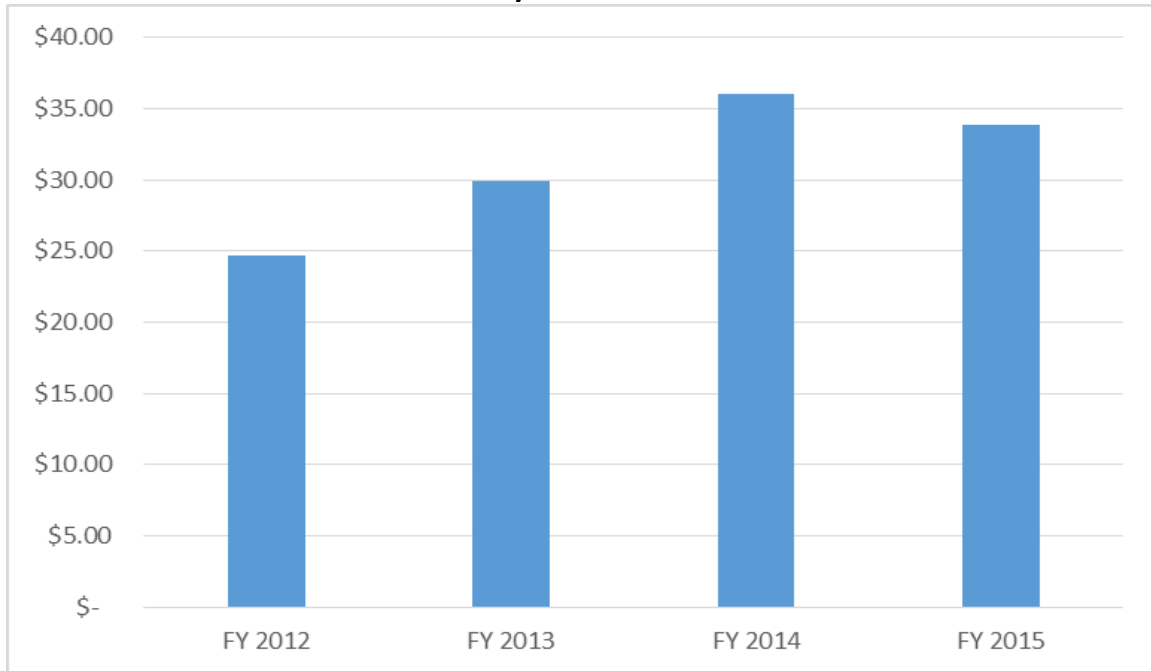
**Graph IV-2
Maintenance Costs
System-wide**



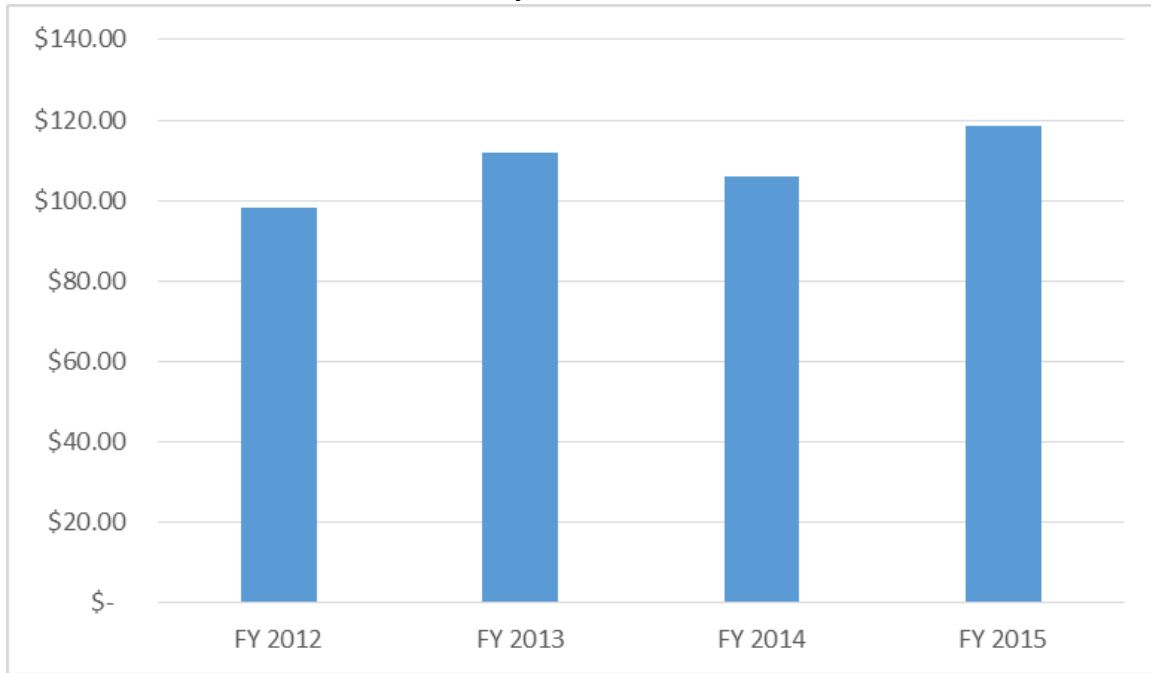
**Graph IV-3
Ridership
System-wide, Fixed Route, and Dial-A-Ride**



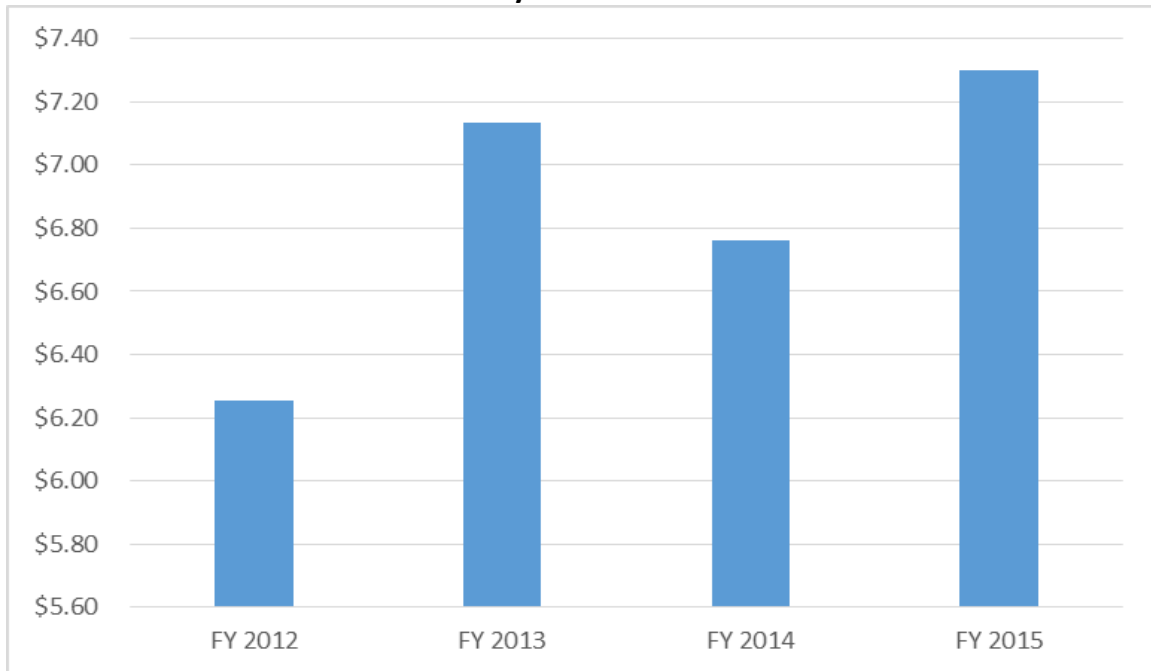
**Graph IV-4
Operating Cost per Passenger
System-wide**



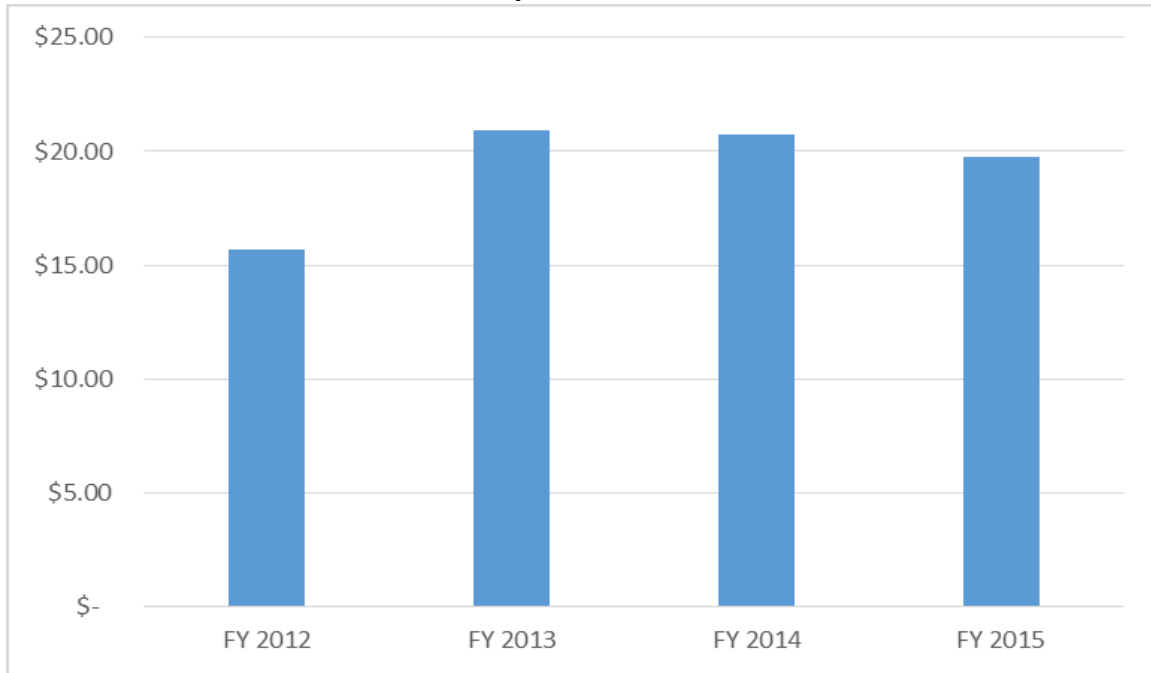
Graph IV-5
Operating Cost per Vehicle Service Hour
System-wide



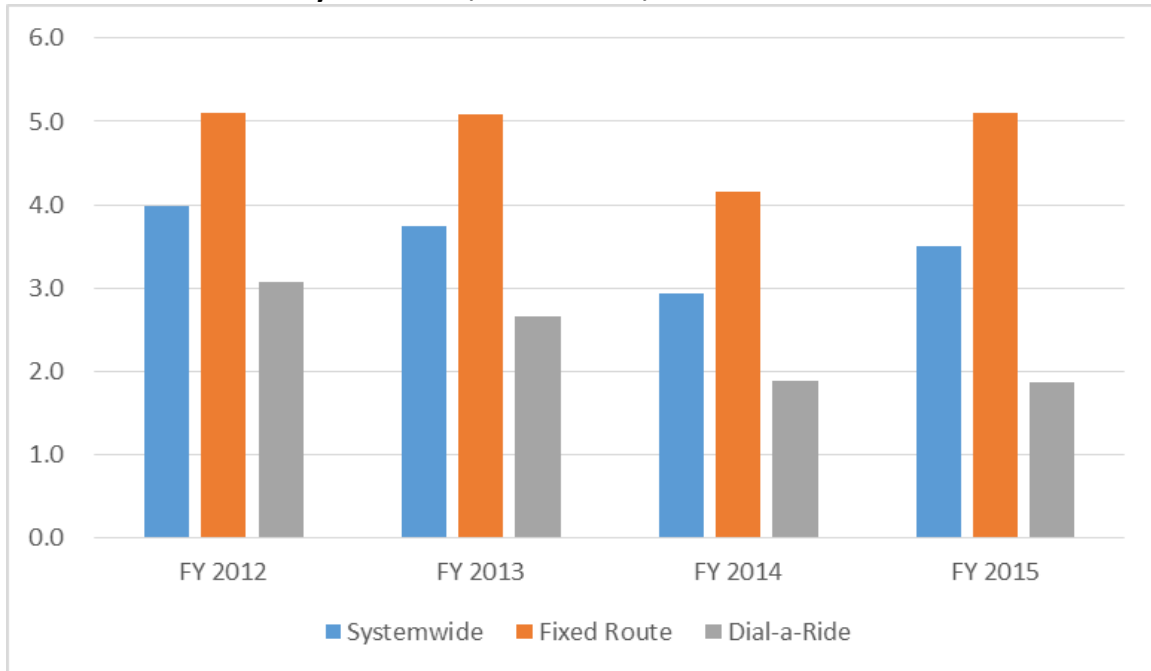
Graph IV-6
Operating Cost per Vehicle Service Mile
System-wide



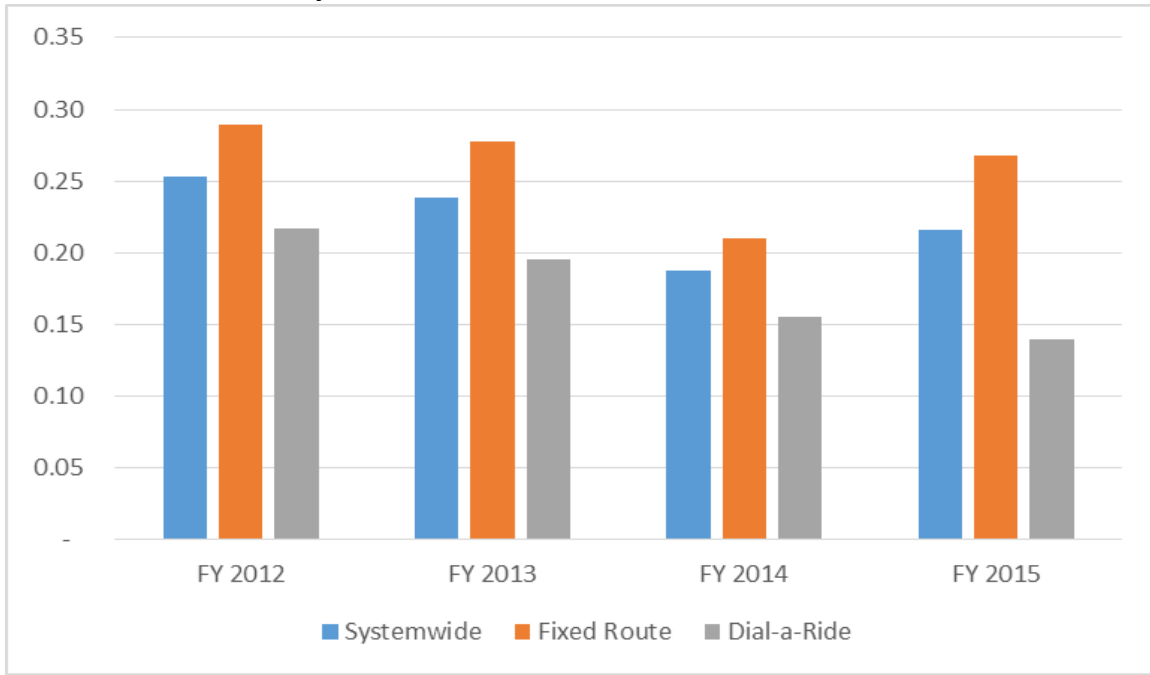
Graph IV-7
Maintenance Cost per Vehicle Service Hour
System-wide



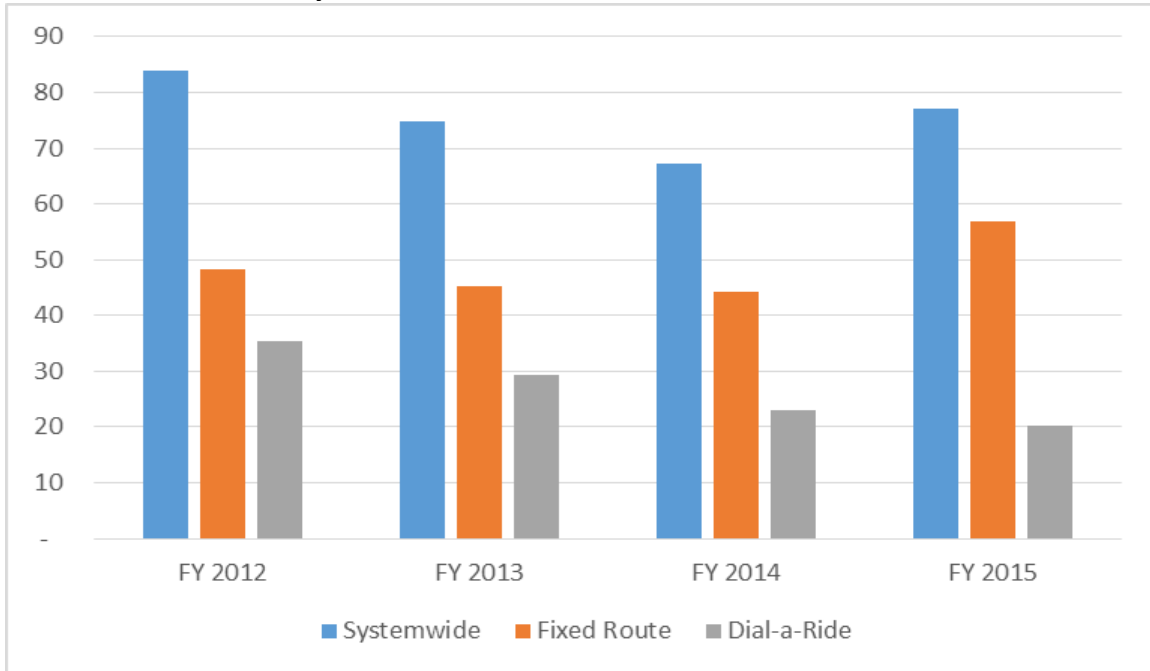
Graph IV-8
Passengers per Vehicle Service Hour
System-wide, Fixed Route, and Dial-A-Ride



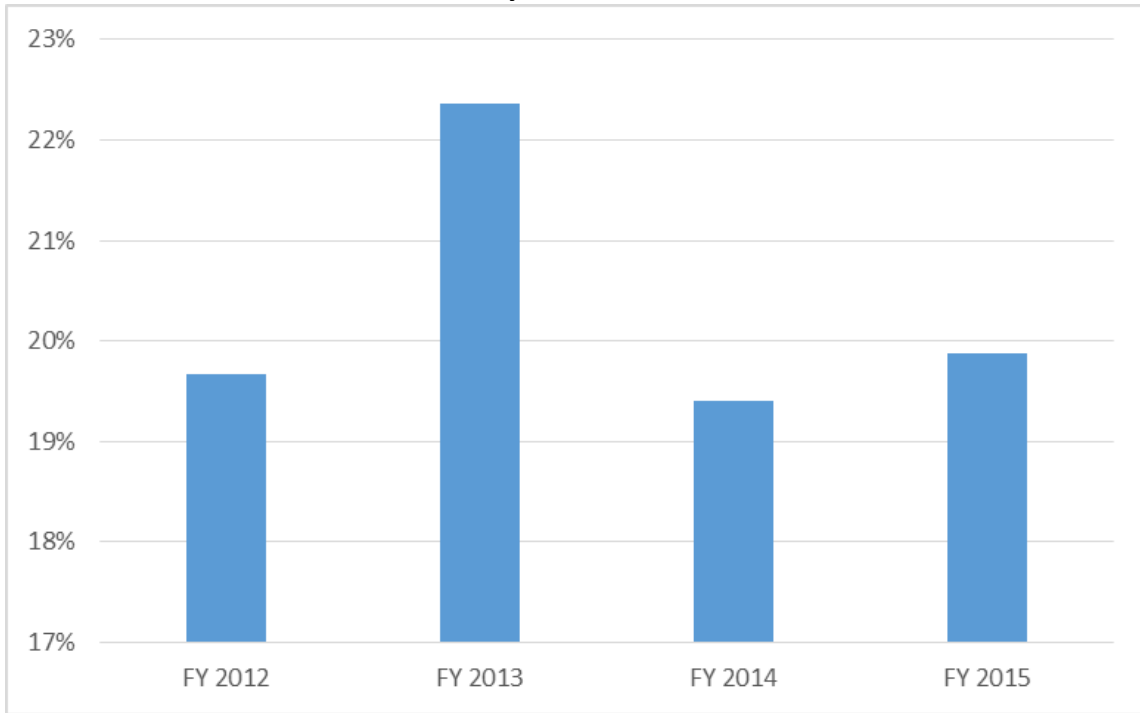
Graph IV-9
Passengers per Vehicle Service Mile
System-wide, Fixed Route, and Dial-A-Ride



Graph IV-10
Average Passengers per Day
System-wide, Fixed Route, and Dial-A-Ride



Graph IV-11
Fare Recovery Ratio
System-wide



Findings from Verification of TDA Performance Indicators

1. Operating cost per passenger, a measure of cost effectiveness, increased 37.1 percent system-wide based on audited data from the FY 2012 base year through FY 2015. The increase in this indicator is attributed to the 8 percent decrease in passenger trips and the 26.2 percent increase in operating costs due to increased staff time charged to the Transit Fund, higher fuel and maintenance costs, and a 34 percent increase in professional services contract costs.
2. Operating cost per hour, which is a measure of cost efficiency, increased 20.6 percent system-wide based on audited data between the FY 2012 base year and FY 2015. The rate of cost increases exceeded the increases in vehicle service hours, which increased 4.6 percent.
3. Operating cost per mile, another cost efficiency measure, increased 16.8 percent system-wide from the FY 2012 base year to FY 2015. Some of the factors affecting this indicator include traffic congestion and flow, average vehicle speed, route length, service contracting, and service reliability.
4. Maintenance and fuel cost per hour is a measure of maintenance program effectiveness and fleet reliability. As tracked system-wide, maintenance costs per hour increased 26 percent. Maintenance costs as a whole increased 31.8 percent. As the Town proceeds with its vehicle replacement program, maintenance costs are expected to decrease. While fuel prices have also declined recently, newer vehicles tend to be more fuel efficient, resulting in additional fuel savings.
5. Passengers per vehicle service hour system-wide decreased 12.1 percent. Passengers per hour on Dial-A-Ride decreased 39.1 percent, which may be attributed in part to the prior contractor not recording passengers accurately. In contrast with the system-wide and Dial-A-Ride trends, the change on the fixed route was negligible. System-wide, the number of passengers per service hour fluctuated during the period, decreasing from 4 passengers in FY 2012 to 3.7 passengers in FY 2013 and 2.9 passengers in FY 2014 before rebounding to 3.5 passengers per vehicle service hour in FY 2015.
6. Passengers per vehicle service mile is an indicator of service effectiveness, which measures the gap between service consumption and service outputs. For the audit period, passengers per vehicle service mile decreased by nearly 15 percent system-wide. Fixed route saw a 7.3 percent decrease in the number of passengers per mile whereas Dial-A-Ride saw a 35.6 percent decrease, which may be attributed which may be attributed in part to the prior contractor not recording passengers accurately.
7. Vehicle hours per FTE, which measures labor productivity, increased 83.3 percent system-wide. This measure increased 166.7 percent for fixed route and remained

unchanged for Dial-A-Ride. FTEs are calculated as part of the Town's budgeting process. A finding was made in the prior audit that FTEs were calculated by dividing total hours worked by 2,080 instead of 2,000. For the current audit period, FTE data reported for FY 2015 appear to reflect an actual head count of employees rather than a calculation of total employee hours worked divided by 2,000. It could also reflect the seasonal nature of the transit service since two additional full-time and two additional part-time employees are retained during the winter months. Proper calculation of this measure is based on the number of employee FTEs using employee pay hours from the State Controller Report and dividing by 2,000 hours per employee.

8. The system-wide fare recovery ratio exhibited a slight increase of 1 percent from 19.67 percent in FY 2012 to 19.87 percent in FY 2015 based on audited data. Truckee's farebox is augmented by private contributions from area ski resorts and an annual subsidy from a local development agreement. Total system-wide passenger revenues increased 27.5 percent inclusive of the contributions and subsidies.

Performance indicators for Truckee Transit reflect the internal operational changes that have affected staffing and the overall service provision. Operating costs increased 26.2 percent from the FY 2012 base year through FY 2015 based on audited data. Annual cost increases ranged from 7.4 to 8.4 percent during the audit period. The increase reflects the higher costs of the new contract operator, fuel, maintenance, and an increased allocation of the Town's Administrative Analyst's time devoted toward administering the transit service.

Ridership decreased 8 percent system-wide during the audit period. Fixed-route ridership increased 17.4 percent, while Dial-A-Ride ridership decreased 42.7 percent. System-wide ridership fluctuated from 27,233 in FY 2012 to 24,295 in FY 2013 to a low of 21,869 in FY 2014 before rebounding to 25,051 in FY 2015. The average number of daily passengers also decreased 8 percent, mirroring the annual decrease in ridership. The number of service days was 325. Ridership is usually measured in terms of unlinked trips, where all boardings are counted, including transfers.

The provision of revenue hours and miles varied according to mode as well as system-wide. Fixed-route revenue hours increased 17.5 percent, whereas vehicle service miles increased by a comparable 26.6 percent. The increase in fixed-route miles and hours is due to the addition of the midday run on the winter shuttle. In contrast, Dial-A-Ride revenue hours and miles decreased 5.9 and 11 percent, respectively, between FY 2012 and FY 2015. The decrease in Dial-A-Ride hours and miles is due to the new contract operator operating this service more efficiently. System-wide vehicle service hours increased 4.6 percent and vehicle service miles increased 8 percent.

Section V

Review of Operator Functions

This section provides an in-depth review of various functions within Truckee Transit. The review highlights accomplishments, issues, and/or challenges that were determined during the audit period. The following functions were reviewed at the Town of Truckee and the Fleet Maintenance Center:

- Operations
- Maintenance
- Planning
- Marketing
- General Administration and Management

Within some departments are subfunctions that require review as well, such as Grants Administration that falls under General Administration.

Operations

Truckee Transit experienced several changes in its contract operations and moved toward regional integration. In light of these developments, the Town has been working to stabilize and sustain the transit system. The service had been operated under contract for 10 years by South San Francisco-based El Camino Trailways with four employees. El Camino Trailways did not have its own local office to provide on-site management and dispatching. In lieu of its own facility, the contract operator utilized desk space at the Chamber of Commerce and reports were faxed to the contractor's headquarters in South San Francisco. Drivers operated the service and handled dispatching through Bluetooth devices as there was no dedicated dispatch staff on-site. In lieu of scheduling software, day planner appointment books were used to schedule Dial-A-Ride reservations.

The contract term with El Camino Trailways was scheduled to run through December 31, 2013, but was terminated, per the terms of the contract, on December 18, 2013. Given the necessity to quickly hire a new contractor prior to the start of the winter schedule, Caltrans authorized the Town to enter into an emergency Memorandum of Understanding (MOU) with Gold Country Telecare, to be in effect from mid-December 2013 through June 2015. Therefore, the Town did not have to issue a Request for Proposals (RFP).

Operations improved once Gold Country Telecare took over the service, which resulted in better oversight and management. This included eliminating a disallowed practice by a former driver of providing free rides on the fixed route. Telecare implemented the Easy Rides dispatching and scheduling software program developed by Mobilitat. The ADA paratransit database was rebuilt and client education and outreach efforts were pursued. Performance data reporting became more reliable particularly with regard to revenue miles and hours, which correspond with the first pickup and the last drop-off.

Gold Country Telecare provided service until March 2015 when the contractor ceased operations due to its going out of business. There was a pre-billing arrangement in place that allowed for payments in two-week increments. An emergency MOU was executed with Paratransit Services as the only bidder for an initial 90-day period. The emergency contract was extended to November 30, 2015. During this time, the Town released a scope of work for a new contract operator and received three bids. A five-member review committee vetted the proposals and selected Paratransit Services with whom the Town was able to negotiate an acceptable rate. Five categories of criteria were evaluated with cost being one of those criteria. Per the RFP, the new contract commenced December 1, 2015, and runs through June 30, 2017, after which three one-year contract extensions may be exercised by the Town.

Paratransit Services implemented further improvements to the transit service by bringing a more professional culture and ethic to the transit system. The contract operator introduced practices such as mandatory trainings monthly and instituted higher employee screening standards.

The non-winter schedule is operated with one fixed-route vehicle and two Dial-A-Ride vehicles. The winter schedule starts three hours earlier and ends one hour later than the non-winter schedule. Fleet utilization varies with the time of day and passenger demand during the winter. Two vehicles are operated during the morning, midday, and evening hours. The fixed route generates higher ridership in the winter due to use by ski resort employees; the fares are paid for through the fare subsidies provided by the ski resorts. Truckee Transit added a 12:37 p.m. run to the fixed route, which generated increased ridership. The improved scheduling has resulted in lower fuel costs and eliminated the need to run an extra bus. Weather and traffic conditions can impact on-time performance which is not currently shown in the monthly report performance report. During snowy conditions, vehicles are required to have chains en route to Donner Summit.

For Dial-A-Ride operations, Town staff reviews and processes application for the purposes of ADA certification. Truckee Transit tracks no-shows, late or same-day cancellations, and late and missed trips. Table V-1 provides a summary of these indicators for the audit period.

**Table V-1
Truckee Transit Dial-A-Ride No-Shows/Cancellations/Missed Trips**

	FY 2012	FY 2013	FY 2014	FY 2015
No-Shows	N/A	N/A	717	227
Late Cancellations (Same Day)	N/A	N/A	407	393
Late trips (>10 minutes)	N/A	N/A	N/A	0
Missed trips	N/A	N/A	N/A	2

Source: Truckee Transit

Data prior to FY 2014 were incomplete or unavailable due to the changes in contract operator and lack of reporting by the prior operators. Partial data were available for FY 2014 commencing with the Gold Country Telecare’s contract in December 2013. The current contract operator has implemented more thorough data collection and monitoring procedures. As previously stated above, on-time performance has not been tracked as a gauge of system performance.

Fare handling and reconciliation involve two people, the contractor general manager and dispatcher. Fares are counted three times and then deposited by the contractor, with this amount subtracted from the invoice that is sent to the Town. A spreadsheet records how much fare revenue was received by mode. With regard to the handling of day passes and punch cards, drivers pull off the tabs and place them in the farebox. A dispatcher enumerates each pass that is sold by the driver. With this improved method and set of controls from prior practice by past contractors, the Town is seeking to implement enhancements to fare reconciliation procedures in concert with Paratransit Services.

Personnel

During the non-winter schedule, contract operations personnel provided through Paratransit Services is composed of eight employees including the general manager, one full-time and one part-time dispatcher, and three full-time and two part-time drivers. During the busier winter schedule, two additional full-time and two additional part-time employees are retained. Two former Telecare employees were hired by Paratransit Services as part of the service transition. Gold Country Telecare formerly retained one fixed-route and one Dial-A-Ride driver from El Camino Trailways.

Drivers are recruited through the Paratransit Services website (<http://www.paratransit.net/careers.html>) as well as through local media publications and word-of-mouth. Candidates must be at least 21 years of age, have had a valid driver’s license for at least five years, and have the ability to obtain a commercial driver’s license (Class B with air brake endorsement) as necessary for contractual requirements. In addition, candidates must be able to successfully pass a criminal background check, a motor vehicle records check, pre-employment drug screening, and functional capacities assessment. They must also be able to obtain a CPR/First Aid and Defensive Driving certification.

The training protocol meets and exceeds industry practice and consists of 40 hours of classroom, 40 hours of behind-the-wheel (20 hours industry minimum), and between 15 and 20 hours of route training. The classroom training includes a four-hour defensive driving course and covers substance abuse, fire safety and evacuation, injury and illness prevention, and blood-borne pathogens. Drivers undergo annual refresher courses in wheelchair securement and foggy and winter driving conditions. There is also an eight-hour Verification of Transit Training certification course.

Maintenance

Vehicle maintenance is the responsibility of the Town's Fleet Maintenance Division housed in the Public Service Center located at 10969 Stevens Lane in Truckee. The facility is equipped with eight equipment service bays and two automotive bays for a total of 10 service bays. There is a vehicle wash facility on the premises. Vehicles are also fueled at the facility. The Fleet Maintenance Division has four mechanics on staff including the fleet manager.

Transit vehicles are subject to a 30 to 45-day, 6,000-mile inspection as well as annual inspection. The 6,000-mile inspection intervals include oil changes while the annual inspections involve transmission service. In addition, mechanics review the pre- and post-inspection reports completed by the drivers. The fleet manager noted the difficulty of adhering to the fleet maintenance protocol since drivers are not Town employees. Warranty repair work is performed in Reno. Fleet Maintenance utilizes the Vehicle Tracker maintenance software program.

The Fleet Maintenance Division does not maintain a large parts inventory and transit vehicle parts are ordered on demand from local vendors as well as from the Maita Automotive Group in Sacramento. For winter driving conditions, tire studs are placed on the smaller transit vehicles and chains are placed on larger transit vehicles. Vehicle tires are purchased in lieu of leasing.

The California Highway Patrol (CHP) is responsible for certifying the Town's maintenance facilities and for inspecting vehicles on an annual basis. Inspections conducted during the audit period were rated satisfactory. Inspection reports are signed off and filed by the fleet manager.

Truckee Transit began tracking road call and accident data during FY 2014 when Gold Country Telecare and later Paratransit Services was retained to operate the service. Only one road call was reported for FY 2015, and four accidents reported in FY 2015. Accident and road call data for prior years were unavailable. The Town has maintained a healthy spare ratio of vehicles. Out of the five vehicles in the fleet, about two to three vehicles are operated in peak service. Table V-2 provides a summary of the system's spare ratio during the audit period.

**Table V-2
Truckee Transit Vehicle Spare Ratio**

	FY 2012	FY 2013	FY 2014	FY 2015
Active Vehicles	5	5	5	5
Peak Vehicles	2	3	2	2
Spare Ratio	150%	67%	150%	150%

Source: Truckee Transit

The Town is currently involved in replacing vehicles that have reached the end of their useful lives. It is anticipated that four new vehicles that were procured during the audit period will be placed into service in 2016.

Planning

Transit planning and oversight are engaged through various approaches. Efforts to improve productivity of the transit services involve several methods employed by the Town in concert with NCTC including short-range transit plans, the unmet transit needs process, and monitoring transportation performance improvement recommendations and measuring progress through statistical information provided by the Town and contract operator.

The most recent transit planning initiatives are the *Eastern Nevada County Transit Development Plan (TDP)*, *Town of Truckee Mobility Needs Assessment Report*, and the *Nevada County Coordinated Public Transit-Human Services Plan Update*. The TDP update was commissioned by NCTC and adopted in October 2013. The scope of the TDP encompasses a five-year planning horizon (FY 2013–14 through FY 2017–18) and a study area defined as the area east of Yuba Pass (near the intersection of I-80 and SR 20). The TDP also serves as tool to support both operating and capital funding requests.

The document contains analyses of the area’s demographic and traffic commute patterns. On-board passenger surveys were conducted on the winter fixed-route and Dial-A-Ride service modes. The study findings cited the deficiencies of the prior contract operator and identified gaps in service. The TDP included various recommendations that corresponded to the service, capital, institutional and management, and financial elements contained in the document. These recommendations also included Town staff’s input and fixed-route service improvements. Service plan recommendations call for the provision of consistent year-round fixed-route service and a streamlined winter service; a reduction of Dial-A-Ride service hours while maintaining the same level of service; and set Dial-A-Ride service schedules to the Truckee Donner Senior Apartments.

When Gold Country Telecare began operating, the TDP service recommendation pertaining to the Senior Apartments was implemented. The Town found there to be a 62 percent “no show” rate for this scheduled service. The service was subsequently terminated and outreach to the senior residents instructed them on how to reserve trips on Dial-A-Ride. This allowed for Dial-A-Ride to operate more efficiently and effectively. In addition, the Town modified the fixed route

to have a scheduled stop at the Senior Apartments for those ambulatory riders who really did not need the Dial-A-Ride service.

The Mobility Needs Assessment Report was adopted in June 2012, which identified where transportation services were deficient in the community and how the mobility needs of residents and visitors may be better addressed. The report analyzed existing public transit modes and other strategies to expand mobility for residents and commuters in the Truckee area.

In addition to the aforementioned transit plan update and mobility needs report, the *Nevada County Coordinated Public Transit-Human Services Plan Update* was adopted in December 2014. Pursuant to the adoption of the federal transportation reauthorization legislation, Moving Ahead for Progress in the 21st Century (MAP-21) in July 2012, agencies receiving human-services transportation grant funding must certify that projects funded are developed in context with a local coordinated plan. Such funding sources included FTA Section 5310 as well as the FTA Section 5316 (JARC) and 5317 (New Freedom), which have since merged into Section 5310 under MAP-21. The coordinated plan addresses the following mobility issues affecting Nevada County:

- The need for travel outside of the county for specialized medical services.
- The ability for some social service program needs to only be met in the western portion of the county.
- Mobility needs that cross into neighboring Placer County.

The primary focus of the coordinated plan is to continue and expand the facilitation of mobility management coordination among the various human service organizations and the private and public transportation services in the region.

Marketing

The majority of marketing efforts for Truckee Transit are conducted by the Truckee-North Tahoe Transportation Management Association (TNT/TMA), the Town, and Placer County in cooperation with the contract operator. Such marketing efforts include printed collateral and web-based content. Brochures and transit maps are published on a seasonal basis to correspond with the changes in the schedule. Flyers are produced announcing service updates and route changes.

Transit information is accessible online through a dedicated page through the Town's main web portal (<http://www.townoftruckee.com/living-in-truckee/public-transportation>). The transit page features a general overview of the transit service with links to the winter and non-winter schedules, the paratransit eligibility form, and other regional transit services. The page also includes links to a trip planner provided through Google Transit and the Town's Title VI policy as

well as the California Relay Service for the hearing-impaired. In addition to the Town's website, the TNT/TMA's website (<http://www.laketahoetransit.com/>) provides schedule and fare information for Truckee Transit as well as for TART and for the North Lake Tahoe Express which operates services between the Truckee-Tahoe area and the Reno-Tahoe International Airport.

Truckee Transit has been working with Placer County in coming up with a unified regional brand. Commencing in June 2014, a stakeholder committee comprising representatives from the TNT/TMA, North Lake Tahoe Resort Association, Truckee Donner Chamber of Commerce, Truckee Downtown Merchants Association, Placer County, Town of Truckee staff, and the Truckee Town Council was formed to discuss the transit systems and plans for their future development. As part of this initiative, Truckee Transit and TART will have a common brand and name: Tahoe Truckee Area Regional Transit. The rebranding effort includes the adoption of a common logo and color scheme that will be reflected on bus stops, marketing materials, passes and new website (<http://www.TahoeTruckeeTransit.com>). The transit vehicles will also reflect the new brand and logo.

General Administration and Management

The Town of Truckee was incorporated March 23, 1993, as a charter town and currently operates under a council/manager form of government. The five-member Town Council serves as the principal legislative body and each councilmember is elected for a four-year term. Elections are held every other year and terms are staggered. The mayor and the mayor pro tem are chosen from the Town Council and serve one-year terms. The Town Council meets the second and fourth Tuesdays of each month at 6:00 p.m. at the Town Hall located at 10183 Truckee Airport Road.

The Town's Transit Division has been placed under purview of the Assistant Town Manager's office. Day-to-day administration and oversight of the transit service are conducted the Administrative Analyst II who was formerly classified as the Parking Services Manager. The FY 2014 Transit Budget reflected 50 percent of the Administrative Analyst's time, which had been increased from 20 percent. Due to a Town reorganization in January 2014, the Administrative Analyst's budgeted time had been increased to 80 percent due to the needs of the Truckee Transit program. The remaining 20 percent is allocated in the Economic Development budget. The Assistant Town Manager, who oversees the Administrative Analyst and the transit program, also has time charged to transit.

The primary source of transit funding support is derived from the Local Transportation Fund (LTF) and State Transit Assistance Fund (STAF). The Town submits the annual TDA claim for funds to NCTC. TDA claims are based on the Town's annual budget projections and the financial element of the TDP. Both LTF and STAF revenues are used primarily for operating expenses. Based on Transit Operators Financial Transactions Report data, LTF revenues received during the audit period were \$359,990 in FY 2013; \$468,905 in FY 2014; and \$522,592 in FY 2015. STAF revenues received were \$90,840 in FY 2013; \$119,688 in FY 2014; and \$70,391 in FY 2015. The County of Nevada funds a portion of the Donner Summit Winter Shuttle service from its LTF

allocation, which amounts to \$14,000 out of \$29,000 in total costs. The Transit Operators Financial Transactions Reports sent to the State Controller are generally prepared by the Town's Administrative Services Manager and are reviewed by the Administrative Analyst II who oversees the transit service.

The Town participates in several regional collaborative efforts that involve funding support and transit connectivity. Truckee contributes \$10,000 annually to the North Lake Tahoe Express. About \$15,000 annually goes toward regional partnerships, studies, and transportation summits. Truckee is a member of the Resort Triangle Transportation Vision Coalition which collaborates on funding opportunities. Moreover, the Town contributes \$90,000 to Placer County TART services, which funds 50 percent of the Truckee to Crystal Bay Route running through Truckee proper via SR 267 during the winter months. In April 2015, the Town Council approved the Town funding a three-year pilot program to provide year-round service along SR 267. The Council-approved funding source for the pilot service is Air Quality Mitigation Funds, which the Town has been collecting since 2002 as part of the Town's Air Quality Mitigation Impact Fee Program.

The transit system receives an annual subsidy from the Gray's Crossing development. In February 2004, the Town approved the 750-acre Gray's Crossing residential development located in northeast Truckee near the I-80 and SR 89 interchange. One of the mitigation measures contained in the environmental impact report required the development and funding of a transit plan. The transit plan was finalized and approved in February 2007. Per the transit plan, the Gray's Crossing Homeowners Association has been making annual payments to the Town, commencing in October 2009, which will support the transit program for a period of 48 years. The payments can be used for general operating assistance. An amendment to the agreement was executed in April 2013. Commencing in October 2013 and running through October 2018, the amount of the payment, which amounted to \$69,667.77 in 2012, would be increased by the amount of the San Francisco/Oakland region Consumers Price Index. The resulting sum would be reduced by \$5,000, which resulted in the amount due from the association for 2013. The formula would be applied in each succeeding year through calendar year 2018.

Grants Management

In addition to TDA funding, the Town relies on several federal and state program grants to support its operations and capital procurement needs. As a transit service serving a non-urbanized area, the Town receives FTA Section 5311 grant funding to support operations. Another federal funding source has been the FTA Section 5310 program, which has allowed for the procurement of Dial-A-Ride vehicles and extension of service beyond the ADA corridor. Approximately 25 percent of the Dial-A-Ride ridership is generated beyond the 3/4-mile ADA corridor but comprises 35 percent of its costs, a disproportionate indicator of cost effectiveness. Funding through the state's Proposition 1B Public Transportation Modernization, Improvement, and Service Enhancement Account (PTMISEA) program has also been applied toward the acquisition of vehicles. The Town has utilized PTMISEA funding toward the procurement of two

fixed-route vehicles and two Dial-A-Ride vehicles, which are anticipated to be placed into service in 2016.

Section VI

Findings

The following summarizes the findings obtained from this Triennial Audit covering fiscal years 2013 through 2015. A set of recommendations is then provided.

Triennial Audit Findings

1. Of the compliance requirements pertaining to the Town, the operator fully complied with all nine applicable requirements. Two additional compliance requirements did not apply to the Town (i.e., intermediate farebox recovery ratio and urbanized farebox recovery ratio).
2. The Town through its contract operator participates in the CHP Transit Operator Compliance Program in which the CHP has conducted inspections within the 13 months prior to each TDA claim. The CHP inspection reports submitted for review were found to be satisfactory.
3. The operating budget exhibited negligible changes during FY 2013 and FY 2015. The budget increased 4 percent in FY 2013 and decreased slightly in FY 2015. The FY 2014 operating budget increased 18.2 percent due to the Parking Services Manager (now classified as Administrative Analyst II) increasing the time charged to the Transit Fund from 20 to 50 percent, as well as higher fuel and maintenance costs and a 34 percent increase in professional services contract costs.
4. Based on the available data from the Annual Fiscal and Compliance Audits, the Town's farebox recovery ratio remained above the required 10 percent during the audit period. Farebox recovery was 22.37 percent in FY 2013; 19.40 percent in FY 2014; and 19.87 percent in FY 2015. The average farebox during the triennial period was 20.5 percent. Fare revenues are inclusive of private contributions from area ski resorts and an annual subsidy from a local development agreement.
5. The Town satisfactorily implemented the six prior audit recommendations.
6. Operating cost per passenger, a measure of cost effectiveness, increased 37.1 percent system-wide based on audited data from the FY 2012 base year through FY 2015. The increase in this indicator is attributed to the 8 percent decrease in passenger trips and the 26.2 percent increase in operating costs due to increased staff time charged to the Transit Fund, higher fuel and maintenance costs, and a 34 percent increase in professional services contract costs with change over to the new contractor.

7. Operating cost per hour, which is a measure of cost efficiency, increased 20.6 percent system-wide based on audited data between the FY 2012 base year and FY 2015. The rate of cost increases exceeded the increases in vehicle service hours, which increased 4.6 percent.
8. Operating cost per mile, another cost efficiency measure, increased 16.8 percent system-wide from the FY 2012 base year to FY 2015. Some of the factors affecting this indicator include traffic congestion and flow, average vehicle speed, route length, service contracting, and service reliability.
9. Maintenance and fuel cost per hour is a measure of maintenance program effectiveness and fleet reliability. As tracked system-wide, maintenance costs per hour increased 26 percent. Maintenance costs as a whole increased 31.8 percent. As the Town proceeds with its vehicle replacement program, maintenance costs are expected to decrease.
10. Passengers per vehicle service hour system-wide decreased 12.1 percent. Passengers per hour on Dial-A-Ride decreased 39.1 percent, which may be attributed in part to the prior contractor not recording passengers accurately. The percent change for the fixed route was negligible. System-wide, the number of passengers per service hour fluctuated during the period, decreasing from 4 passengers in FY 2012 to 3.7 passengers in FY 2013 and 2.9 passengers in FY 2014 before rebounding to 3.5 passengers per vehicle service hour in FY 2015.
11. Truckee Transit had been operated under contract for 10 years by South San Francisco-based El Camino Trailways with four employees. El Camino Trailways did not have its own local office to provide on-site management and dispatching. The contract term was scheduled to run until December 31, 2013.
12. The Town contracted with Gold Country Telecare to operate the transit service starting in mid-December 2013, to coincide with the start of the winter schedule.
13. Operations improved with Gold Country Telecare relative to the prior operator and resulted in better oversight and management. This included having a contractor transit manager on site at the Town offices and eliminating a disallowed practice by a former driver of providing free rides on fixed route. Gold Country Telecare provided service until March 2015 when the contractor ceased operations.
14. The Town released a scope of work for a new contract operator and, among the bidders, received a response from Bremerton, Washington-based Paratransit Services. Selected by the Town, Paratransit Services implemented further improvements to the transit service by instilling a more professional culture and ethic. For example, the contract operator introduced mandatory trainings monthly and instituted higher employee screening standards.

15. The majority of marketing efforts for Truckee Transit are conducted by the Truckee-North Tahoe Transportation Management Association (TNT/TMA), the Town, and Placer County in cooperation with the contract operator.

16. Truckee Transit has been working with Placer County in developing a unified regional brand. Commencing in June 2014, a stakeholder committee was formed to discuss the transit systems and plans for their future development. As part of this initiative, Truckee Transit and TART will have a common brand and name: Tahoe Truckee Area Regional Transit.

17. The Town contributes \$90,000 to Placer County TART services, which funds 50 percent of the Truckee to Crystal Bay Route via SR 267 during the winter months. In April 2015, the Town Council approved the Town funding a three-year pilot program to provide year-round service along SR 267 funded through Air Quality Mitigation Funds.

Recommendations

1. Formalize and implement fare reconciliation procedures.

With the transition of three contract operators during the course of the past three years, fare revenue handling and reconciliation procedures have not been consistent. As cash is used for bus fare as well as bus passes purchased on board, the collection, counting, recording, and reconciliation process should be well documented and agreed upon by both the Town and the transit contractor. The contractor has the responsibility to collect, count, and retain all revenues from the farebox and report all revenues to the Town on a monthly basis with evidence of bank deposits. While this process appears to be working, a mechanism should be in place for the Town to better monitor these transactions and verify the accurate fare recording including determining the amount of expected revenue using ridership by type from the trip sheets against actual revenue. It was indicated by both the contractor and the Administrative Analyst II overseeing the transit service that they will collaboratively work to document these procedures and provide greater oversight. Enhancements to the process might include creating an acceptable variance range (e.g., 3 to 5 percent) between estimated revenue based on ridership and actual revenue, as well as developing trend graphics of monthly revenue reporting by fixed route and Dial-A-Ride. Regular meetings between the Town and contractor to discuss trends in fare revenue should also be held.

2. Establish an on-time performance standard and include in routine performance monitoring.

As per the RFP and service contract, the contractor has the responsibility to conduct monthly on-time performance checks by service mode. Although performance data are tracked for most indicators, on-time performance is not included in contractor reports. While the schedule adjustments implemented during the audit period have resulted in greater service efficiencies, weather and traffic conditions can impact on-time performance. Therefore, it is recommended that the Town establish an on-time performance standard, even by season, to provide a measurable benchmark that can be monitored as part of the service provision. The Transit Development Plan may provide leads on forming these standards. Trends in on-time performance toward meeting the benchmark, or explanations for not meeting the benchmark, can be documented as a measure of service improvement and productivity.

3. Break out operating cost and fare revenue data for each mode on the internal performance data spreadsheet.

The Town, working in concert with the contract operator, has made steady improvements in how performance data are reported and tracked. Vehicle operations data are recorded and tracked on a spreadsheet. The most recent spreadsheet utilized by Truckee Transit is divided into 10 reporting sections with data tracked monthly with

year-end totals. However, the cost and revenue data are not broken out separately by fixed route and Dial-A-Ride. It is suggested that the Town work with the contractor to provide a breakdown of operations cost and fare revenue for fixed route and Dial-A-Ride that enables a higher level of review for cost efficiencies and service productivity indicators. Given the distinct service types, this level of data should be standardized in monthly and annual reports provided to the Town Council and NCTC.